

Board of Selectmen's Meeting Minutes
July 22, 2010
Harpswell Town Office
Approved on August 12, 2010

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Selectmen Present: James S. Henderson, Mark E. Wallace and Elinor Multer

Staff Present: Kristi Eiane, Town Administrator; Terri Sawyer, Deputy Town Administrator; Marguerite Kelly, Treasurer; Debbie Turner, Assessing Agent; and Bob Venard, Road Commissioner

Call to Order and Pledge of Allegiance: The meeting was called to order at 4:45 PM.

The meeting was videotaped and broadcast live on Harpswell Community Television.

Chairman Henderson noted a request from someone to speak for more than 5 minutes and therefore is requesting to be placed on a future agenda per the public participation policy. Chairman Henderson asked for the public participation policy to be placed on the next agenda to consider clarifying that section as he thinks it was intended for topics requiring Board action.

1. Adoption of the Agenda: Chairman Henderson moved, seconded by Selectman Multer to adopt the agenda as amended by adding Harpswell Neck Physical Education Request for Use of Mitchell Field to the consent agenda; motion passed 3-0.

2. Public Comment: There were no public comments.

3. Consent Agenda: 1) Approval of Minutes; 2) Harpswell Scouting Association Request for Use of Mitchell Field; 3) Harpswell Neck Physical Education Request for Use of Mitchell Field: Chairman Henderson moved, seconded by Selectman Wallace to approve the consent agenda; motion passed 3-0.

Selectman Wallace announced the red light on top of the tower has burned out and the white light will flash day and night until the red light is replaced on Monday.

4. Consider Maine Municipal Bank \$600,000 Borrowing: Marguerite Kelly, Treasurer, amended her previous treasurer's report to indicate that Town Meeting authorized the borrowing of \$600,000 for emergency vehicles and not \$500,000 as previously stated. Ms. Kelly stated the Board was provided with amortization schedules for repaying the debt over 5, 10 and 20 years and a debt schedule with the proposed borrowing added. Ms. Kelly requested the Board authorize the borrowing with a 10-year repayment schedule. Chairman Henderson noted that while the annual payments are lower for the 10-year schedule and the total interest is much greater than with the 5-year schedule, the 5-year schedule would require a taxpayer to pay more in taxes on an annual basis. Selectman Multer moved, seconded by Selectman Wallace to authorize the application to borrow \$600,000 with a 10-year repayment schedule; motion passed 3-0.

5. Consider Rural Road Initiative Agreement with Department of Transportation (DOT) Re: Cundy's Harbor Road Project: Bob Venard explained the project entails rebuilding the portion of Cundy's Harbor Road from Grover Lane to just before the Bethel Point Road, about 1.25 miles. The engineering, ditching, ledge removal, etc. will be done in the fall and subsurface base and the paving in the spring. Mr. Venard will work with DOT throughout the project and might be able to save some money if the Town procures certain parts of the project. Selectman Multer stated she has been unable to read the entire contract and appendices and would prefer to delay this item to the August 12 meeting. Bob Venard noted the section in the contract that prohibits major openings of the road after the improvements literally means no major cuts into the road. Chairman Henderson asked if Central Maine Power has been notified of that prohibition and for staff to check with the Code Office and Planning Board to see if there are any known subdivisions planned for this area. Chairman Henderson moved, seconded by Selectman Multer to table this item; motion passed 3-0.

Bob Venard reported that last night's severe thunderstorms caused culvert and ditching issues with several roads, including five Town roads. Ray Labbe & Sons replaced a culvert on Upland Lane and R.A. Webber will replace two culverts on Gurnet Landing and performed other road work on Dingley, Bethel, Laurel roads. Mr. Venard asked the Board to authorize the purchase orders for both Labbe & Webber and noted that Handy Harley also did some minor repairs. The Board agreed to sign the purchase orders at the end of the meeting.

6. Set the 2010 Tax Rate: Debbie Turner, Assessing Agent, reviewed the 2010 Municipal Tax Rate Calculation Form and the options for the Board to select the tax rate and the corresponding overlay figure. Administrator Eiane explained the law allows up to 5% above net taxes to be raised for precision to avoid fractions and rounding issues with odd mill rates that causes the total commitment to differ from the total tax bills. Additionally, Town Meeting authorized the use of overlay for abatements and the unspent balance becomes part of the undesignated fund balance. Ms. Turner noted that resident taxpayers will see a decrease in the homestead exemption as the State has lowered it from \$13,000 to \$10,000 and since the Town ratio is at 96%, the exemption will be \$9,600. Furthermore, the State will only be reimbursing the Town for 75% of homestead exemptions in 2010 and the remaining 25% in 2011. The Board reviewed the historical use of overlay for abatements and the overlay amounts raised. Selectman Multer stated she doesn't believe in a high overlay to add to the fund balance to reduce the tax commitment the following year. Ms. Kelly stated that a very low overlay this year could potentially cause next year's tax rate to be a lot higher if fund balance is not available to reduce the tax commitment. If the Board chooses a moderate overlay this year, there is the potential for smoothing the tax rate from year to year. Selectman Multer stated she wants to gradually work towards reducing the accumulated surplus so that taxpayers are not taxed for more than what is required. Examples were provided for tax values reflecting the current 6.19 rate and the potential 6.00 and 6.05 tax rates. Selectman Multer suggested \$6.03. Chairman Henderson and Selectman Wallace agreed to the \$6.00 tax rate. Chairman Henderson moved, seconded by Selectman Wallace to set the rate at \$6.00 per thousand dollar of taxable value, that may mean next year's rate will increase substantially but it meets the needs right now. Selectman Multer stated she wants to go in this direction but not in large jumps. The motion passed 2-1 (Selectman Multer opposed).

7. Authorization of the Warrant: The Board unanimously authorized warrant #48 in the amount of \$41,505.96. Chairman Henderson moved, seconded by Selectman Multer to authorize warrant #49 in the amount of \$1,798.46; motion passed 2-0 (Selectman Wallace abstained). Payroll warrant #30 in the amount of \$14,129.58 was noted for the record.

8. Adjournment: The meeting adjourned by unanimous vote at 5:53 p.m.

Respectfully Submitted,

Terri-Lynn Sawyer

Attachments:

[Attachments are available at the Town Clerk's Office or by email at harpwell@gwi.net]